

LUXKING GROUP HOLDINGS LIMITED
(Incorporated in Bermuda)

Full Year Financial Statement Announcement for the Year Ended 30 June 2018

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors are pleased to announce the unaudited operating results of the Group for the year ended 30 June 2018.

UNAUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2018

1(a)(i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u>	<u>Group</u>	
	<u>Year</u>	<u>Year</u>	
	<u>ended</u>	<u>ended</u>	
	<u>30.6.2018</u>	<u>30.6.2017</u>	<u>+ / (-)</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Revenue	531,837	515,598	3.1%
Cost of sales	<u>(475,557)</u>	<u>(462,583)</u>	2.8%
Gross profit	56,280	53,015	6.2%
Other income (Note 1)	1,249	1,286	(2.9%)
Selling and distribution costs	(15,215)	(14,870)	2.3%
Administrative expenses	(27,690)	(25,356)	9.2%
Other operating expenses	(799)	(303)	163.7%
Finance costs	<u>(6,860)</u>	<u>(7,927)</u>	(13.5%)
Profit before income tax	6,965	5,845	19.2%
Income tax expense	<u>(3,488)</u>	<u>(2,551)</u>	36.7%
Profit for the year	<u><u>3,477</u></u>	<u><u>3,294</u></u>	5.6%

1(a)(ii) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2018</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Profit for the year	3,477	3,294	5.6%
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations	<u>(1,024)</u>	<u>382</u>	n/m
Total comprehensive income attributable to the owners of the Company	<u><u>2,453</u></u>	<u><u>3,676</u></u>	(33.3%)

1(a)(iii) Profit before income tax is arrived at after charging/(crediting): -

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2018</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Property, plant and equipment written-off	6	-	n/m
Fair value gain on investment property	(8)	(30)	(73.3%)
Depreciation of property, plant and equipment	16,156	18,155	(11.0%)
Amortisation of land use rights	111	111	-
Bad debts written-off	199	133	49.6%
Impairment of trade receivables	571	-	n/m
Inventories write-down	540	2,246	(76.0%)
Interest expenses	6,860	7,927	(13.5%)
Net foreign exchange gain	(663)	(96)	590.6%

Note 1:

Other income comprises the following items:

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2018</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Fair value gain on investment property	8	30	(73.3%)
Interest income	115	18	538.9%
Net gain on sale of raw materials	362	1,005	(64.0%)
Net foreign exchange gain	663	96	590.6%
Others	<u>101</u>	<u>137</u>	(26.3%)
	<u><u>1,249</u></u>	<u><u>1,286</u></u>	(2.9%)

n/m = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 30.6.2018 RMB'000	As at 30.6.2017 RMB'000	As at 30.6.2018 RMB'000	As at 30.6.2017 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	81,971	89,641	-	-
Investment property	428	420	-	-
Land use rights	3,399	3,510	-	-
Interests in subsidiaries	-	-	105,120	112,435
Deposits for acquisition of property, plant and equipment	-	5,560	-	-
	<u>85,798</u>	<u>99,131</u>	<u>105,120</u>	<u>112,435</u>
Current assets				
Inventories	59,198	63,384	-	-
Trade receivables	180,148	173,314	-	-
Prepayments, deposits and other receivables	12,299	10,310	4	6
Restricted bank deposits	1,042	1,063	-	-
Cash and bank balances	18,638	19,667	-	-
	<u>271,325</u>	<u>267,738</u>	<u>4</u>	<u>6</u>
TOTAL ASSETS	<u>357,123</u>	<u>366,869</u>	<u>105,124</u>	<u>112,441</u>
EQUITY AND LIABILITIES				
Equity attributable to the owners of the Company				
Share capital	133,557	133,557	133,557	133,557
Reserves	39,046	36,593	(29,898)	(22,933)
Total equity	<u>172,603</u>	<u>170,150</u>	<u>103,659</u>	<u>110,624</u>
Current liabilities				
Trade and bills payables	34,896	26,972	-	-
Accrued expenses, deposits received and other payables	14,657	16,419	1,465	1,817
Bank borrowings, secured	106,428	106,878	-	-
Income tax payables	1,039	950	-	-
	<u>157,020</u>	<u>151,219</u>	<u>1,465</u>	<u>1,817</u>
Non-current liabilities				
Other loans	27,500	45,500	-	-
Total liabilities	<u>184,520</u>	<u>196,719</u>	<u>1,465</u>	<u>1,817</u>
TOTAL EQUITY AND LIABILITIES	<u>357,123</u>	<u>366,869</u>	<u>105,124</u>	<u>112,441</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.6.2018		As at 30.6.2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
106,428	-	106,878	-

Amount repayable after one year

As at 30.6.2018		As at 30.6.2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	27,500	-	45,500

Details of any collateral

The Group's bank borrowings of RMB106,428,000 represent:

- (i) bank loans granted by China Construction Bank and Bank of Communications in the People's Republic of China (the "PRC");
- (ii) export finance granted by Industrial and Commercial Bank of China Limited, China Construction Bank and Bank of Communications in the PRC;
- (iii) medium and short-term bank loans granted by CTBC Bank Co. Ltd. in Hong Kong; and
- (iv) trust receipt loans granted by CTBC Bank Co. Ltd. in Hong Kong.

As at 30 June 2018, the Group's bank borrowings were secured by corporate guarantees executed by the Company, a subsidiary of the Company and Mr Leung Chee Kwong, director of the Company, the pledge of certain of the Group's property, plant and equipment, the Group's entire land use rights, the Group's restricted bank deposits and an independent third party's land use rights.

As at 30 June 2018, these bank borrowings bear fixed interest rates ranging from 3.1% to 5.9% per annum and floating interest rates at 3.1% per annum.

Other loans are unsecured and interest bearing at the prevailing market rate in the PRC plus 1% per annum. The effective interest rate was 6.9% per annum as at 30 June 2018. Written consent with the lender was made on 6 December 2017 that the loan repayment date was extended from 2019 to 2020.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u> <u>Year ended</u> <u>30.6.2018</u> <u>RMB'000</u>	<u>Group</u> <u>Year ended</u> <u>30.6.2017</u> <u>RMB'000</u>
Cash flows from operating activities		
Profit before income tax	6,965	5,845
Adjustments for:		
Fair value gain on investment property	(8)	(30)
Interest income	(115)	(18)
Interest expenses	6,860	7,927
Amortisation of land use rights	111	111
Depreciation of property, plant and equipment	16,156	18,155
Bad debts written-off	199	133
Impairment of trade receivables	571	-
Inventories write-down	540	2,246
Property, plant and equipment written-off	6	-
Operating profit before working capital changes	<u>31,285</u>	<u>34,369</u>
Decrease/(Increase) in inventories	3,649	(10,302)
(Increase)/Decrease in trade receivables	(7,845)	42
(Increase)/Decrease in prepayments, deposits and other receivables	(2,698)	5,183
Increase in trade and bills payables	7,966	1,837
Decrease in accrued expenses, deposits received and other payables	(1,496)	(3,613)
Cash generated from operations	<u>30,861</u>	<u>27,516</u>
Interest received	115	18
Income taxes paid	(3,396)	(2,523)
Net cash generated from operating activities	<u>27,580</u>	<u>25,011</u>
Cash flows from investing activities		
Decrease/(Increase) in restricted bank deposits	21	(21)
Purchases of property, plant and equipment	(3,038)	(1,273)
Increase in deposits for acquisition of property, plant and equipment	-	(5,560)
Net cash used in investing activities	<u>(3,017)</u>	<u>(6,854)</u>
Cash flows from financing activities		
Repayments of capital element of finance lease liabilities	-	(34)
Interest element of finance lease payments	-	(1)
Interest on bank borrowings and other loans	(7,072)	(7,365)
Proceeds from bank borrowings	143,448	141,863
Repayments of bank borrowings	(143,737)	(142,101)
Repayments of other loans	(18,000)	(16,000)
Net cash used in financing activities	<u>(25,361)</u>	<u>(23,638)</u>
Net decrease in cash and cash equivalents	(798)	(5,481)
Cash and cash equivalents at beginning of year	19,667	25,021
Effect of foreign exchange rate changes, net	(231)	127
Cash and cash equivalents at end of year	<u>18,638</u>	<u>19,667</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>18,638</u>	<u>19,667</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Share premium	Other reserves	Exchange reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1.7.2016	133,557	33,961	10,216	(16,189)	4,929	166,474
Profit for the year	-	-	-	-	3,294	3,294
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	382	-	382
Total comprehensive income for the year	-	-	-	382	3,294	3,676
Appropriation to other reserves	-	-	694	-	(694)	-
At 30.6.2017 and 1.7.2017	<u>133,557</u>	<u>33,961</u>	<u>10,910</u>	<u>(15,807)</u>	<u>7,529</u>	<u>170,150</u>
Profit for the year	-	-	-	-	3,477	3,477
Other comprehensive income, net of income tax						
- Exchange loss on translation of financial statements of foreign operations	-	-	-	(1,024)	-	(1,024)
Total comprehensive income for the year	-	-	-	(1,024)	3,477	2,453
Appropriation to other reserves	-	-	689	-	(689)	-
At 30.6.2018	<u><u>133,557</u></u>	<u><u>33,961</u></u>	<u><u>11,599</u></u>	<u><u>(16,831)</u></u>	<u><u>10,317</u></u>	<u><u>172,603</u></u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company

	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>Exchange reserve</u> RMB'000	<u>Accumulated losses</u> RMB'000	<u>Total equity</u> RMB'000
At 1.7.2016	133,557	33,961	(33,345)	(21,692)	112,481
Loss for the year	-	-	-	(3,626)	(3,626)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RMB	-	-	1,769	-	1,769
Total comprehensive income for the year	-	-	1,769	(3,626)	(1,857)
At 30.6.2017 and 1.7.2017	133,557	33,961	(31,576)	(25,318)	110,624
Loss for the year	-	-	-	(3,794)	(3,794)
Other comprehensive income, net of income tax					
- Exchange loss on translation of the Company's financial statements to RMB	-	-	(3,171)	-	(3,171)
Total comprehensive income for the year	-	-	(3,171)	(3,794)	(6,965)
At 30.6.2018	<u>133,557</u>	<u>33,961</u>	<u>(34,747)</u>	<u>(29,112)</u>	<u>103,659</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Ordinary shares	
	<u>As at 30.6.2018</u>	<u>As at 30.6.2017</u>
Total number of issued shares	<u>12,650,000</u>	<u>12,650,000</u>

(There were no treasury shares)

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the same accounting policies and methods of computations used in the audited financial statements for the year ended 30 June 2017 have been applied to the financial statements for the current year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the applicable new and amended International Financial Reporting Standards ("IFRS") that are effective during the year. The adoption of these new and amended IFRS did not result in significant changes to the Group's accounting policies and has no material effect on the accounts reported for the current and prior financial periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2018</u> <u>RMB cents</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB cents</u>
Basic earnings per ordinary share	<u>27.49</u>	<u>26.04</u>

Basic earnings per ordinary share for year ended 30 June 2018 are calculated based on the profit attributable to the owners of the Company of approximately RMB3,477,000 (2017: RMB3,294,000) divided by 12,650,000 (2017: 12,650,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 30 June 2018 and 2017 are the same as the basic earnings per share, as the Group has no dilutive potential shares during both years.

7. **Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	As at	As at	As at	As at
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RMB cents	RMB cents	RMB cents	RMB cents
Net assets value per ordinary share	1,364.45	1,345.06	819.44	874.50

Net assets value per ordinary share is calculated based on the issued ordinary shares of 12,650,000 ordinary shares as at 30 June 2018 and 30 June 2017.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**
- (a) **review of profit and loss**

FY2018 vs FY2017

Group Revenue

Group revenue increased 3.1% from RMB515.6 million in FY2017 to RMB531.8 million in FY2018. This was attributed mainly to higher sales of general purpose tapes ("General tapes") in FY2018. Sales of industrial specialty tapes ("IS tapes") remained stable while sales of biaxially oriented polypropylene films ("BOPP films") declined in FY2018.

The Group derived revenue of RMB95.7 million from the sale of General tapes in FY2018, up 26.9% from RMB75.4 million in FY2017. This increase was driven by higher demand from customers in domestic and overseas markets.

Sales of IS tapes were relatively stable at RMB118.0 million in FY2018, compared to RMB117.2 million in FY2017. While the Group recorded higher sales of IS tapes from overseas markets in FY2018, this was offset by reduced sales in domestic market due to softer demand from certain industries.

On the other hand, sales of BOPP films declined slightly by 1.5% from RMB323.0 million in FY2017 to RMB318.1 million in FY2018, mainly due to lower sales from domestic and overseas markets.

As a result, BOPP films segment accounted for 59.8% of Group revenue in FY2018 compared to 62.6% in FY2017. The IS tapes segment contributed to 22.2% of Group revenue in FY2018 compared to 22.7% in FY2017. Revenue contribution from the General tapes segment grew to 18.0% from 14.7% in FY2017.

In terms of revenue by geographical markets, sales to the domestic market totalled RMB449.9 million in FY2018 which was stable compared to RMB448.7 million in FY2017. Sales to overseas markets increased 22.4% from RMB66.9 million to RMB81.9 million in FY2018. As a result, the revenue contribution from export sales expanded to 15.4% in FY2018 from 13.0% in FY2017. Correspondingly, the domestic market accounted for 84.6% of Group revenue in FY2018, down from 87.0% last year.

Group Gross Profit and Gross Profit Margin

The Group's gross profit increased 6.2% from RMB53.0 million in FY2017 to RMB56.3 million in FY2018. Gross profit margin increased slightly to 10.6% in FY2018 from 10.3% previously.

Other Income

Other income of RMB1.2 million in FY2018 was relatively stable compared to RMB1.3 million in FY2017.

Selling and Distribution Costs, Administrative and Other Operating Expenses

Selling and distribution costs increased 2.3% from RMB14.9 million in FY2017 to RMB15.2 million in FY2018 in tandem with the increase in revenue.

Administrative expenses increased 9.2% from RMB25.4 million in FY2017 to RMB27.7 million in FY2018 mainly due to higher staff salaries and charges for banking facilities, as well as increased costs in relation to technical and corporate consultancy services.

Other operating expenses increased from RMB0.3 million in FY2017 to RMB0.8 million in FY2018, attributed primarily to an impairment of trade receivables.

Finance Costs

Finance costs declined 13.5% from RMB7.9 million in FY2017 to RMB6.9 million in FY2018 mainly due to repayment of other loans.

Group Net Profit

As a result of the aforesaid factors, the Group's profit before income tax increased 19.2% from RMB5.8 million in FY2017 to RMB7.0 million in FY2018.

The Group's income tax expenses increased 36.7% from RMB2.6 million in FY2017 to RMB3.5 million in FY2018 which mainly resulted from higher assessable profit from the subsidiary in the PRC. As a result, the Group's net profit after tax only rose 5.6% from RMB3.3 million in FY2017 to RMB3.5 million in FY2018.

(b) Review of Financial Position as at 30 June 2018

Non-current assets decreased from RMB99.1 million as at 30 June 2017 to RMB85.8 million as at 30 June 2018. This was mainly due to depreciation of property, plant and equipment amounting to RMB16.2 million, partially offset by the additions of property, plant and equipment of RMB8.6 million including the capitalisation of deposit of RMB5.6 million paid in FY2017.

Inventories decreased from RMB63.4 million as at 30 June 2017 to RMB59.2 million as at 30 June 2018 due to inventories written-down and lower stock value of raw materials and semi-finished goods at the end of FY2018.

Trade receivables increased from RMB173.3 million as at 30 June 2017 to RMB180.1 million as at 30 June 2018 due to higher sales and longer credit period given to some

customers. Debtor turnover days for FY2018 was however stable at around 121 days compared to 123 days for FY2017.

Prepayments, deposits and other receivables increased from RMB10.3 million as at 30 June 2017 to RMB12.3 million as at 30 June 2018, attributed mainly to higher rental deposit and value-added tax receivables.

Cash and bank balances decreased from RMB19.7 million as at 30 June 2017 to RMB18.6 million as at 30 June 2018, mainly attributed to the repayment of bank borrowings and other loans.

Total borrowings including other loans also declined from RMB152.4 million as at 30 June 2017 to RMB133.9 million mainly due to repayment of other loans of RMB18.0 million during FY2018.

Trade and bill payables increased from RMB27.0 million as at 30 June 2017 to RMB34.9 million as at 30 June 2018 mainly due to the increase in purchases from suppliers on credit terms. Accrued expenses, deposits received and other payables decreased from RMB16.4 million as at 30 June 2017 to RMB14.7 million as at 30 June 2018 mainly due to lower accrued commission expenses.

Income tax payables were unchanged at RMB1.0 million as at 30 June 2018 when compared to 30 June 2017.

Group Cash Flows

Net cash generated from operating activities in FY2018 amounted to RMB27.6 million. This was derived primarily from operating profit before working capital changes of RMB31.3 million, offset partially by net working capital outflows of RMB0.4 million and payment of income taxes of RMB3.4 million.

Net cash used in investing activities during FY2018 was RMB3.0 million, attributed mainly to the purchase of plant and equipment to set up new IS tapes production lines.

Net cash used in financing activities amounted to RMB25.3 million, mainly due to interest payments on bank borrowings and other loans and repayments of other loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As a result of growing trade tensions between the USA and China, this is likely to create greater uncertainty in the global markets.

Coupled with selling price pressure, intense competition, rising material and operating costs, strict compliance with environmental policies and volatile foreign currency rates, the Group expects the operating environment to remain challenging and is cautious in its outlook for the next financial year.

The Group's strategy is to focus on increasing sales of its higher value IS tapes and higher grade BOPP films as these products command better profit margins. The Group will also continue exploring ways to expand its business with existing and new customers in the domestic and overseas markets.

To mitigate the impact of selling price and cost pressures on its profit margins, the Group continues to work on improving its production efficiency and cost optimisation measures.

Luxking has established an excellent track record and reputation as a reliable supplier of a wide range of IS tapes to major brands of smartphones, other handheld consumer devices and home appliances. The Group constantly keeps abreast of its customers' projects and leverages on its strong in-house research and development (R&D) expertise to develop and introduce IS tapes that suit the requirements and specifications of customers' new products.

To support the long-term growth of its IS tapes business, the Group keeps strengthening its product R&D while seeking opportunities to penetrate new industries. It will also continually upgrade its production facilities and improve its manufacturing processes. During FY2018, the Group invested in new IS tapes production lines to raise production capacity. These lines are expected to be fully operational in the second quarter of FY2019.

The Group also intends to further develop its BOPP business by shifting the sales mix towards higher grade BOPP films. These premium products have higher transparency, greater flexibility and strength and are used in a wide range of applications from paper laminations to industrial packaging uses. The Group will continue to enhance the efficiency of its BOPP films manufacturing line and plans to increase its focus on the R&D and sales of new BOPP products.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date Payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the financial year ended 30 June 2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no IPT in FY2018.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	2018					
	Manufacture of General Tapes RMB'000	Manufacture of Industrial Tapes RMB'000	Manufacture of BOPP films RMB'000	Trading of tapes and BOPP films RMB'000	Eliminations RMB'000	Group RMB'000
Revenue from external customers	44,994	87,525	317,425	81,893	-	531,837
Other income	69	68	225	-	-	362
Inter-segment sales	48,871	28,860	619	-	(78,350)	-
Reportable segment revenue	93,934	116,453	318,269	81,893	(78,350)	532,199
Reportable segment results	(11,031)	11,693	13,701	3,167	-	17,530

	2017					
	Manufacture of General Tapes RMB'000	Manufacture of Industrial Tapes RMB'000	Manufacture of BOPP films RMB'000	Trading of tapes and BOPP films RMB'000	Eliminations RMB'000	Group RMB'000
Revenue from external customers	38,074	89,615	321,056	66,853	-	515,598
Other income	142	194	669	-	-	1,005
Inter-segment sales	30,017	20,890	1,833	-	(52,740)	-
Reportable segment revenue	68,233	110,699	323,558	66,853	(52,740)	516,603
Reportable segment results	(6,209)	9,220	12,473	2,575	-	18,059

	Revenue from external customers	
	2018 RMB'000	2017 RMB'000
The PRC	449,944	448,745
Hong Kong	-	38,827
Other countries	81,893	28,026
	531,837	515,598

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

17. A breakdown of sales.

	Group		
	Year ended 30.6.2018 RMB'000	Year ended 30.6.2017 RMB'000	+ / (-) %
Revenue reported for the 1st half year	266,482	264,075	0.9%
Operating profit after tax for 1st half year	2,363	1,580	49.6%
Revenue reported for the 2nd half year	265,355	251,523	5.5%
Operating profit after tax for 2nd half year	1,114	1,714	(35.0%)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Year ended 30.6.2018 RMB'000	Year ended 30.6.2017 RMB'000
Ordinary	NIL	NIL
Total	NIL	NIL

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Leung Hi Man	37	Daughter of Mr Leung Chee Kwong, Chief Executive Director and Executive Chairman	<p>Executive Director since 1 September 2017.</p> <p>Ms Leung Hi Man is responsible for assisting the Executive Chairman in overseeing the finance department, and the formulation and execution of overall business strategies and policies of the Group.</p> <p>She is also Assistant Sales Manager in the Sales and Marketing Department of the Hong Kong subsidiary, Luxking International Chemicals Limited, since October 2005.</p> <p>In addition, she is also responsible for the Sales and Marketing Department of Hong Kong subsidiary, China King International Trading Limited, since October 2006.</p>	Ms Leung Hi Man was appointed as an Executive Director of the Company with effect from 1 September 2017.

BY ORDER OF THE BOARD

**Lisa Cheng
Company Secretary**

27 August 2018